Government of Saskatchewan

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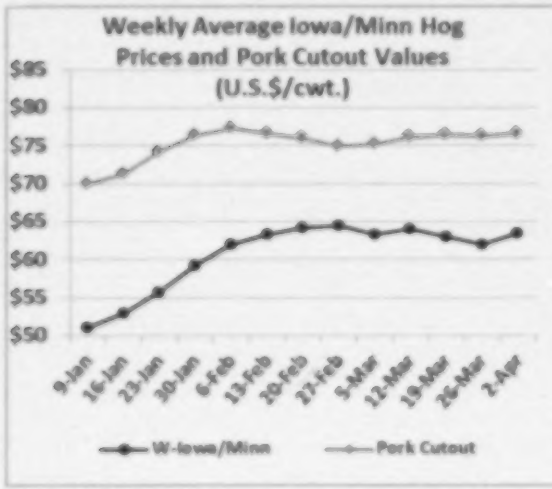
Weekly Hog Report

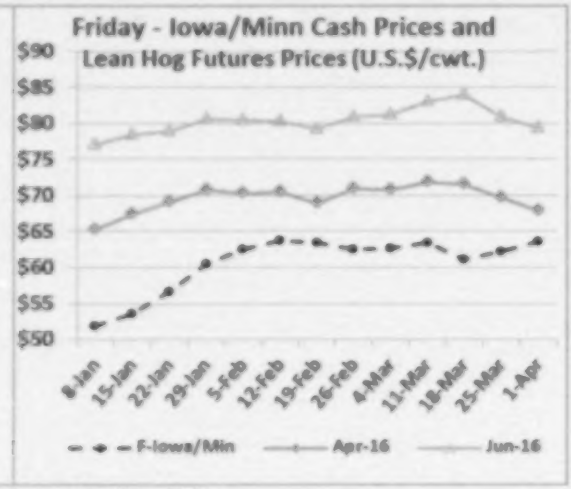
April 4, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were mixed last week but overall steady to edge higher, week-over-week. Hog prices on Friday April 1 averaged US$63.48 per cwt, up US$1.26 per cwt or 2.0 per cent from US$62.22 per cwt the previous Friday. The negotiated base price last week averaged US$63.34 per cwt, up US$1.46 per cwt or 2.4 per cent from US$61.88 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

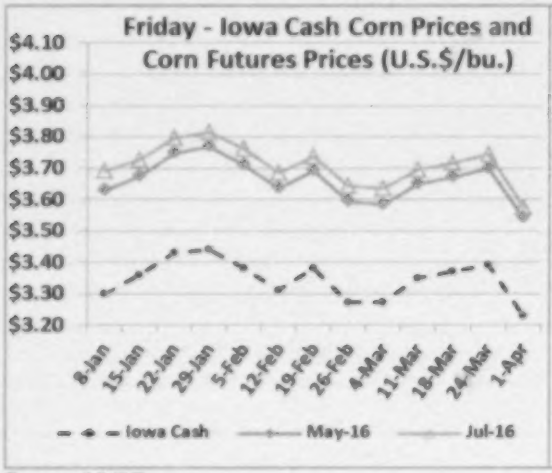
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday April 1, 2016 was $148.17 per ckg, down slightly from $148.47 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $150.11 per ckg, up $1.89 per ckg or 1.3 per cent from the previous weeks' average price of $148.22 per ckg. The Canadian dollar moved higher last week and closed Friday at 76.84 cents, up 1.31 cents from 75.53 the previous Thursday.

Futures Markets

United States lean hog futures daily prices were up early in the week then primarily lower Wednesday to Friday to end the week lower, week-over-week. The nearby April 2016 contract declined US$1.825 per cwt last week to settle Friday at US$67.800 per cwt, while the June 2016 contract declined US$1.475 per cwt to settle Friday at US$79.375 per cwt. The June lean hog futures price settled Friday almost US$16 per cwt higher than the Friday Iowa/Minn ending slaughter weight cash price.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$39.74 per head, down US$0.910 per head from US$40.65 per head the previous week. Feeders (40lb) averaged US$79.61 per head, down $3.65 per head from US$83.26 per head, the previous week.



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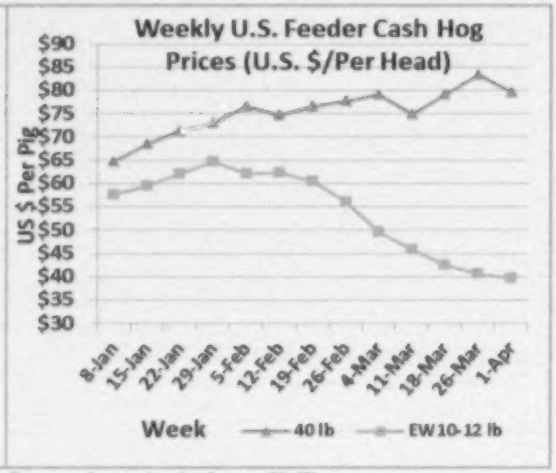

Source: Iowa Agriculture, CME

U.S. corn prices moved lower last week. Iowa cash corn prices declined sixteen cents to settle Friday at US$3.23 per bushel. U.S. daily corn futures prices were mixed but primarily lower over the week with big declines on Thursday to end last week lower, week-over-week. The May 2016 corn contract declined sixteen cents per bushel to settle Friday at US$3.54 per bushel, while the July 2016 contract declined almost seventeen cents to settle Friday at US$3.57¾ per bushel. China's recent change in corn policy to end its corn stock piling program along with USDA's March 31 Prospective Plantings Report has put downward pressure on U.S. corn prices. USDA estimated U.S. corn acreage at 93.6 million acres planted for the coming year, the most since 2013; which should provide large corn supplies.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending April 2 were estimated 2.181 million head, up slightly from 2.178 million head the previous week, but down 0.4 per cent from 2.190 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending April 2 averaged 2.196 million head per week, down 1.7 per cent from 2.233 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter Good Friday week ending March 26, 2016 were estimated at 373,779 head, down 12.3 per cent from 426,190 head the previous week, and down 6.0 per cent from 397,787 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 406,287 head, down 0.9 per cent from 409,872 head over the same period in 2015. Year-to-date, hogs slaughtered in Canada in 2016 have totaled 5,050,417 head, up 3.1 per cent from 4,896,770 the same period in 2015.

Meat Production

U.S. pork production for the week ending April 2, 2016 was estimated at 463.9 million lb., up slightly from 463.0 million lb. the previous week, but down 0.8 per cent from 467.5 million lb. the same week a year ago. Pork production over the last four week's ending April 2 was estimated to average 466.9 million lb., down 2.2 per cent from 477.4 million lb. over the same four week period a year ago.

U.S. beef production for the week ending April 2 was estimated at 450.7 million lb., up 0.7 per cent from 447.4 million lb. the previous week, and up 5.5 per cent from 427.1 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending March 26, 2016, was estimated to average almost 2.008 billion lb., up 0.7 per cent from 1.993 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up about 1.8 per cent compared to the same period in 2015.

United States Weekly Meat Production

(Mar. 26) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	478.9	469.3	-2.0%	-0.2%
Beef	432.2	450.8	4.3%	3.2%
Chicken	949.9	964.0	1.5%	2.9%
Turkey	132.2	123.6	-6.5%	-2.6%
Total	**1,993.2**	**2,007.5**	**0.72%**	**1.84%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending April 2, 2016 averaged US$76.50 per cwt, up US$0.30 per cwt or 0.4 per cent from US$76.20 per cwt the previous week, and up 17.7 per cent from US$64.98 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending April 2, 2016 averaged US$222.46 per cwt, down 1.8 per cent from US$226.62 per cwt the previous week, and down 12.6 per cent from US$254.55 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending April 2, 2016 averaged US$117.56 per cwt, up 2.7 per cent from US$114.46 per cwt the previous week, but down 22.9 per cent from US$152.48 per cwt the same week a year ago.

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